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DeNUCCI NOTES IMPROVED FINANCIAL CONTROLS
AT N.E. HOMELESS VETERANS SHELTER

State Auditor Joe DeNucci reported today that the New England Shelter for Homeless Veterans in Boston is taking steps to improve controls over its financial operations.

DeNucci, in an audit required by the Legislature, found that the shelter has corrected financial management problems cited in his prior audit and by others. In addition, the audit concluded that the shelter, which received \$2.2 million from the state during the last fiscal year, is expending the funds in accordance with applicable state laws and the terms of its state contracts.

DeNucci's audit found that the New England Shelter for Homeless Veterans has discontinued using cash to pay bills. The prior audit had cited a lack of documentation and controls regarding expenditures of petty cash. In addition, the audit noted that staff members are no longer serving on the shelter's Board of Directors. The prior audit had criticized the shelter for allowing its former executive director to serve on the board, jeopardizing the board's ability to independently govern the facility's operations.

The audit also found that the shelter has resolved a third issue identified in the prior audit, questionable and undocumented travel expenses. The shelter has implemented a new formal staff travel policy that requires proper authorization and documentation of travel. However, DeNucci's audit also noted that the agency could not document that its former executive director has repaid a \$2,500 salary advance that was questioned in the prior audit.

"The current management of the New England Shelter for Homeless Veterans has made substantial progress toward putting its financial house in order," said DeNucci. "The shelter provides a critical service by caring for individuals who served their country but have run into severe financial difficulties. Strong fiscal accountability is essential to protect and enhance the mission of the shelter."